

14V - DEBT PREPAYMENT

Operational Summary

Description:

To reduce the General Fund debt burden. As of June 30, 2004, there is \$926.3 million outstanding in General Fund debt, of this amount \$833.66 million is from the bankruptcy recovery and \$92.6 million for non-bankruptcy.

This fund was created by Board of Supervisors action on October 20, 1999 which transferred \$27.1 million from the Debt Repayment reserve to this new fund. Subsequently, the annual strategic financial plans, corresponding budgets and bankruptcy litigation settlements have added money to this fund. The County has redeemed or defeased \$363.6 million in outstanding debt since 1998.

Strategic Goals:

- To eliminate or reduce the debt service burden on the General Fund. Recent historically low interest rates have made early redemption of additional debt economically unfeasible.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The 2004 Strategic Financial Plan adopted by the Board on June 29, 2004 does not provide for adding additional monies to this fund. However, the Board of Supervisors did allocate \$3.7 million from the Yorba Linda Redevelopment settlement to this fund bringing the total to \$98 million. The \$98 mil-

The next possible target for reduction or restructuring are the outstanding 1995 Refunding Recovery Bonds and the 1996 Recovery COPS.

At a Glance:

Total FY 2003-2004 Actual Expenditure + Encumbrance:	0
Total Final FY 2004-2005 Budget:	94,045,566
Percent of County General Fund:	N/A
Total Employees:	0.00

lion in the fund will remain and will be used to pay for early redemption of the 1995 Recovery Bonds if and when that strategy is in the best long-range interests of the County General Fund. A detailed analysis of the debt reduction options is currently underway. This process will assist the County in determining the most optimal strategy.

Final Budget and History:

Sources and Uses	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Total Revenues	95,125,019	97,795,566	97,795,566	94,045,566	(3,750,000)	-3.83
Total Requirements	1,190,889	97,795,566	0	94,045,566	94,045,566	0.00
FBA	93,934,130	0	97,795,566	0	(97,795,566)	-100.00

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Debt Prepayment in the Appendix on page 571.

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Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Revenue From Use Of Money And Property	\$ 1,190,889	\$ 0	\$ 0	\$ 0	\$ 0	0.00%
Miscellaneous Revenues	1	0	0	0	0	0.00
Other Financing Sources	35,518,125	3,861,436	3,861,436	0	(3,861,436)	-100.00
Total FBA	58,416,004	93,934,130	93,934,130	94,045,566	111,436	0.12
Total Revenues	95,125,019	97,795,566	97,795,566	94,045,566	(3,750,000)	-3.83
Services & Supplies	85,423	4,799,421	0	1,000,000	1,000,000	0.00
Other Charges	0	92,996,145	0	93,045,566	93,045,566	0.00
Other Financing Uses	1,105,466	0	0	0	0	0.00
Total Requirements	1,190,889	97,795,566	0	94,045,566	94,045,566	0.00
Balance	\$ 93,934,130	\$ 0	\$ 97,795,566	\$ 0	\$ (97,795,566)	-100.00%

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.